



**CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE**

November 13, 1997

S. 1139

Small Business Reauthorization Act of 1997

As cleared by the Congress on November 9, 1997

S. 1139 would authorize appropriations for fiscal years 1998 through 2000 for the Small Business Administration (SBA) and would make a number of changes to SBA loan programs and programs establishing preferences for government contracting. CBO estimates that enacting S. 1139 would increase direct spending by \$21 million over the 1998-2007 period by expanding the scope of SBA's Defense Loan and Technical Assistance (DELTA) program and authorizing SBA to spend on the program funds that would otherwise expire at the end of fiscal year 1998.

In August 1995, the Department of Defense transferred \$30 million to SBA to cover the subsidy costs of loans made to small businesses affected by reductions in U.S. defense spending. Based on information from SBA, CBO estimates that authority to obligate about \$24 million of the amounts appropriated to the Department of Defense and subsequently transferred to SBA for the DELTA program would expire at the end of fiscal year 1998, pursuant to Public Law 104-61.

S. 1139 would expand the scope of the DELTA program and would make the amounts appropriated for the program available until expended. If S. 1139 were enacted, CBO estimates that SBA would increase spending on the program by about \$2 million in fiscal year 1998 because more small businesses would be eligible for the SBA-guaranteed loans. CBO further estimates that SBA would spend an additional \$19 million of the remaining amounts to cover the subsidy cost of loans guaranteed under the DELTA program over the 1999-2007 period from the funds that would otherwise expire at the end of fiscal year 1998. The following table summarizes the projected changes in direct spending for fiscal years 1998-2007. For purposes of enforcing pay-as-you-go procedures, however, only the effects in the budget year and the succeeding four years are counted.

Estimated Effects of S. 1139 on Direct Spending and Receipts

	By Fiscal Year, in Millions of Dollars									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Changes in outlays	2	4	4	3	3	2	2	1	0	0
Changes in receipts	Not applicable									

The CBO staff contact for this estimate is Rachel Forward. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.